Members

Rep. James Buck, Chairperson
Rep. Thomas Saunders
Rep. David Wolkins
Rep. Dennie Oxley
Rep. Joe Micon
Rep. Terri Austin
Sen. Allen Paul, Vice-Chairperson
Sen. Michael Delph
Sen. Jeff Drozda
Sen. Timothy Lanane
Sen. Anita Bowser
Sen. Lindel Hume

LSA Staff:

Robert Rudolph, Attorney for the Committee
Timothy Tyler, Attorney for the Committee
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INTERIM STUDY COMMITTEE ON GOVERNMENT ADMINISTRATION AND REGULATORY MATTERS

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MEETING MINUTES[1]

Meeting Date:	**August 24, 2006**
Meeting Time:	**10:00 A.M.**
Meeting Place:	**State House, 200 W. Washington St., Room 404**
Meeting City:	**Indianapolis, Indiana**
Meeting Number:	**2**

Members Present: Rep. James Buck, Chairperson; Rep. Thomas Saunders; Rep. David Wolkins; Rep. Dennie Oxley; Rep. Joe Micon; Rep. Terri Austin; Sen. Michael Delph; Sen. Jeff Drozda; Sen. Timothy Lanane; Sen. Anita Bowser; Sen. Lindel Hume.

Members Absent: Sen. Allen Paul, Vice-Chairperson.

The Chair, Representative Buck, convened the meeting at 10:05 a.m. Committee members present introduced themselves.

The Chair recognized Joel Silverman, Commissioner of the Bureau of Motor Vehicles, to make a presentation. Before beginning, Commissioner Silverman apologized to persons who had been inconvenienced by the problems that have occurred since the beginning of the conversion of the "BOSS"[2] to the "STARS"[3] system.

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1. Exhibits and other materials referenced in these minutes can be inspected and copied in the Legislative Information Center in Room 230 of the State House in Indianapolis, Indiana. Requests for copies may be mailed to the Legislative Information Center, Legislative Services Agency, 200 West Washington Street, Indianapolis, IN 46204-2789. A fee of $0.15 per page and mailing costs will be charged for copies. These minutes are also available on the Internet at the General Assembly homepage. The URL address of the General Assembly homepage is http://www.in.gov/legislative/. No fee is charged for viewing, downloading, or printing minutes from the Internet.

2. "Branch Operations Support System".

3. "System Tracking and Record Support".

STARS Conversion

Referring to a PowerPoint® presentation,[4] Commissioner Silverman referred to the Bureau's mission statement[5] and compared functions of the Indiana Bureau of Motor Vehicles with its counterparts in some other states.[6] To begin the discussion of the STARS conversion, the Commissioner introduced Mr. Kent Schroder, the Bureau's Chief Information Officer.

Mr. Schroder outlined the course of the STARS conversion up to the present.[7] Mr. Schroder said that one of the goals of the conversion was the integration of several databases maintained under BOSS. The delays experienced by many of the Bureau's customers during July were the result of the integrated system containing inconsistent data derived from the disparate BOSS databases. It takes longer to sort out the inconsistencies during what are normally routine transactions. Offering an example, Mr. Schroder said that the database contains more than 600,000 invalid or duplicate Social Security Numbers.[8]

Representative Austin and Senator Hume asked why BOSS was not run concurrently with STARS until the Bureau was certain that any problems with STARS had been solved. Commissioner Silverman responded that during Phase II of the conversion, when STARS was introduced in the branches, both systems were run concurrently. During Phase II, if a problem appeared in a transaction, the customer service representative was able to complete the transaction at a BOSS terminal. Mr. Schroder explained that the next phase of the conversion involved STARS taking over from BOSS. At that point of the project, data was written only to the fourteen servers that maintained STARS and no longer would be updated in the BOSS mainframe.

There was Committee discussion with Mr. Schroder and Commissioner Silverman regarding the adequacy of the servers and whether the servers were the most current technology. Mr. Schroder stated that the Bureau began purchasing the servers during the summer of 2005 and completed the purchases this year. Commissioner Silverman reviewed the reasons he made the decision to proceed with the conversion in July.[9] He said that hundreds of tests were run on STARS before July and none of the test results indicated the scope of problems experienced in July.

In response to a Committee question regarding the financial stability of the software vendor, Commissioner Silverman said that he was not in a position to speculate about the vendor's future. He explained that the Bureau entered into the primary contract with Unisys during the late 1990s. Unisys in turn had subcontracted software development to Quest. All money due under the contract was essentially paid before the conversion was scheduled to be implemented. Quest later encountered financial difficulties. Quest's

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4. A copy of Commissioner Silverman's PowerPoint® presentation is Exhibit #1 to these Minutes.

5. See Exhibit #1, Slide #1.

6. See Exhibit #1, Slide #3.

7. See Exhibit #1, Slide #7.

8. See Exhibit #1, Slide #8.

9. See Exhibit #1, Slide #9 through Slide #11.

financial difficulty was a factor in the decision to move forward with the conversion sooner rather than later because the Bureau was concerned about losing Quest personnel assigned to the project whose services would be essential to implement the conversion. The alternative was to delay the conversion, risk dispersion of Quest personnel, and essentially begin the project again with a new vendor.

There was discussion whether the problems experienced in July were purely due to the conversion or whether the closing of branches last year and the reductions in staff played any role. Commissioner Silverman and Mr. Schroder replied that the problems were due only to the system conversion.

Representative Austin asked whether Bureau upper management had directed branch employees not to talk to legislators. This question led other Committee members to relate interactions with Bureau employees with many different experiences described. Commissioner Silverman and Ms. Irene Lange, Assistant Commissioner, Branch Operations Division, said that branch personnel have been instructed to refer all media inquiries to management, but branch employees have never been forbidden to speak with legislators. After some discussion about why branch personnel would believe they could not speak to legislators, several Committee members expressed the view that it would be highly inappropriate for branch personnel to be ordered not to communicate with legislators. More than one Committee member requested that Bureau management explicitly instruct branch personnel that communication with legislators is permitted.

Representative Saunders asked about reports that excise tax distributions to counties had been interrupted by the conversion. Commissioner Silverman answered that before the STARS conversion, payment of excise tax collections had never been made on a regular schedule. He said that the Bureau has recently made an effort to provide for weekly payment of excise tax funds to the Auditor of State for distribution to counties and that miscommunications with the Auditor may have recently disrupted this schedule.

In response to a question from Representative Buck, Commissioner Silverman described the role of the branch "expediter" whose function is to serve as a gatekeeper to determine the nature of a customer's business and whether the customer has all information needed to transact that business. The goal is to save a customer a long wait that ends with the customer's business not being completed.

Representative Micon asked whether granting sixty day extensions to customers whose registrations or other transactions can not be processed on time was a new procedure. Commissioner Silverman replied that the granting of extensions was a long time practice that predates the conversion. He added that the Bureau could not provide data regarding the relative numbers of sixty day extensions granted before and after the conversion began because issuance is a manual process that has never been tracked.

In response to a question from Representative Buck, Commissioner Silverman said that all states are looking at developing new systems, partly in response to the federal "Real

ID Act".[10] States are at various points in development. Indiana has gone from one of the worst data systems to the best.

        Law Enforcement Perspective

The Chair recognized Doug Carter, Hamilton County Sheriff, to give a perspective on the STARS conversion from the law enforcement community. Sheriff Carter said that the recent problems for law enforcement during the STARS conversion were primarily issues of training and miscommunication among the various agencies involved. Another part of the problem is that STARS was giving more information to police officers than they had been getting in the past and officers were not understanding the data that were being received.

In response to a question from Senator Hume, Sheriff Carter stated that while the data transmission and understanding problems are not totally resolved, the situation is much better than earlier.

In response to a question from Representative Buck, regarding problems with software interfaces, Captain John Clawson, the Indiana State Police, said that some law enforcement agencies had to reconfigure databases to be able to interact with the data that the STARS system is providing. Captain Clawson explained that law enforcement databases and their supporting software are not similarly configured. Responding to a question from Representative Austin, Captain Clawson said uniform state standards for law enforcement databases do not exist. It was further explained that local law enforcement agencies interact with the STARS database through the Indiana State Police.

Senator Lanane expressed concern that there are problems with interpreting data relating to administrative license suspensions and a driver's point total. Captain Clawson, answering questions from Senator Delph and Representative Oxley, indicated that the Bureau has been responsive to working with the State Police to resolve problems and that the State Police were actively involved at relevant times to work with the Bureau in the conversion process.

The Chair recognized Paul Whitesell, Superintendent of the Indiana State Police. After a brief statement, Superintendent Whitesell reintroduced Captain John Clawson, Indiana State Police, Information Technology Division. Captain Clawson reiterated the point that many of the problems with the conversion occurred because STARS has presented to law enforcement agencies much more data than police officers have been accustomed to seeing before the conversion. In response to Representative Austin's question regarding training available to less technologically advanced counties, Captain Clawson briefly discussed the training processes and conferences that occur under the IDACS[11] auspices. He also said that the size of a county was not indicative of the technological sophistication of that county's law enforcement personnel.

In response to a question from Senator Lanane, Commissioner Silverman said that STARS has no role to play with the Bureau's voter registration duties.

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10. This federal law is P.L.109-13. The title of the bill resulting in enactment of the law read: "To establish and rapidly implement regulations for State driver's license and identification document security standards, to prevent terrorists from abusing the asylum laws of the United States, to unify terrorism-related grounds for inadmissibility and removal, and to ensure expeditious construction of the San Diego border fence.".

11. "The Indiana Data and Communications System".

In response to a question from Senator Hume regarding the amount of money paid to Quest for the work it did, Commissioner Silverman responded that he did not know because Quest is paid by Unisys, who subcontracted software development work out to Quest.

The Committee stood in recess at 12:10 p.m.

The Committee reconvened at 1:38 p.m.

New Branch Initiatives

Commissioner Silverman reintroduced Irene Lange, Assistant Commissioner, Branch Operations Division, to begin the discussion of the initiatives relating to the opening and operation of new branches. Ms. Lange continued with a PowerPoint® presentation.

Ms. Lange began her presentation by outlining the training that new branch associates receive. She said that the Bureau now hires more part time branch employees to give branch managers greater flexibility in adjusting staff levels to the ebb and flow of business.

Ms. Lange spoke about the locations where new branches have been opened,[12] focusing on the new branches in Valparaiso,[13] Muncie,[14] and Kokomo.[15] Ms. Lange reviewed data comparing the average customer wait time in the new branches to all branches[16] and discussed the schedule of opening additional new branches.[17] She gave an overview of plans to remodel other branches.[18]

In response to a question from Senator Hume, Ms. Lange reported that a branch associate is paid in a range of $9 to $14 per hour. In response to a question from Representative Buck, Ms. Lange said that all new branches have a restroom available for use by customers. Commissioner Silverman said that the Bureau is attempting to arrange for location of restrooms in existing branches as they can which often depends on the terms of the existing lease. There was discussion among Committee members and the Commissioner about the length of the terms of branch leases and the relative economic and administrative merits of ten year leases as compared to leases with shorter terms.

Representative Wolkins, alluding to an earlier comment by Ms. Lange that Tuesday is typically a branch's busiest day, asked whether it is still prudent to maintain Saturday hours. Ms. Lange said that Saturdays are a typical branch's second busiest day and that it makes sense to maintain Saturday hours. There was discussion regarding the now closed full time branch in Gary. It was reported that branch was the least used branch in Lake

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12. See Exhibit #1, Slide #13.

13. See Exhibit #1, Slide #14.

14. See Exhibit #1, Slide #15.

15. See Exhibit #1, Slide #16.

16. See Exhibit #1, Slide #13.

17. See Exhibit #1, Slide #17 and Slide #18.

18. See Exhibit #1, Slide #19.

County before it was closed. There was also discussion about problems in the Brownsburg branch.

In response to questions from Representative Austin, there was additional discussion about the Bureau's ability to terminate branch leases. Referring to the summary slide of Ms. Lange's presentation,[19] Representative Austin asked why and how the Bureau was able to install closed circuit plasma televisions in new branches without cost to the Bureau. Commissioner Silverman responded that the installations of televisions in branches is a pilot project to offer customers an activity while waiting and it provided a means of communication and training in the branches. The cost is born by the vendor who sells advertising broadcast on the televisions. The Commissioner said the effort was not an attempt to enhance the Bureau's revenue and he was uncertain, given the performance of the current vendor, whether the experiment was worth continuing.

Privatization Initiatives

Commissioner Silverman described the Bureau's current privatization partnerships.[20] The Commissioner then discussed the Computer Vehicle Registration ("CVR") Project which enables an automobile dealer to provide initial titling and registration for vehicles sold at the dealership.[21] During the discussion, the Commissioner noted that eight percent of the Bureau's budget is spent on paying credit card transaction costs. In response to questions from Senator Hume and Representative Austin, the Commissioner said that the state currently supplies the hardware to private entities that provide Bureau services to customers; under the CVR Project, automobile dealers will use their own hardware and send information from dealer databases to the Bureau for completion of title and registration transactions. In response to a question from Representative Buck regarding self-service kiosks, the Commissioner stated that currently there are 36 kiosks throughout Indiana. The continued use of the kiosks is under review because they are expensive to operate and maintain for the business done at them.

Other Committee Business

The Chair announced that the Committee would meet on September 6 to consider issues relating to nonprofit entities and the Committee would consider eminent domain and the remaining issues on September 22.

The Committee adjourned at 2:50 p.m.

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19. See Exhibit #1, Slide #20.

20. See Exhibit #1, Slide #22.

21. See Exhibit #1, Slide #23 and Slide #24.